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Viewing cable 09SANJOSE297, VICE PRESIDENT BIDEN'S MARCH 30 MULTILATERAL

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Reference ID	Created	Released	Classification	Origin
09SANJOSE297	2009-04-08 21:46	2011-08-30 01:44	CONFIDENTIAL	Embassy San Jose

Appears in these articles:

<http://www.nacion.com/2011-03-12/Investigacion/NotasDestacadas/Investigacion2711772.aspx>
<http://www.nacion.com/2011-03-10/Investigacion/NotasDestacadas/Investigacion2707705.aspx>
<http://www.nacion.com/2011-03-10/Investigacion/NotasSecundarias/Investigacion2707712.aspx>
<http://www.nacion.com/2011-03-10/Investigacion/NotasSecundarias/Investigacion2707716.aspx>

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	DHSE-00	EXIM-01	E-00	FAAE-00	FBIE-00	VC1-00	FRB-00
	OBO-00	H-00	TEDE-00	INR-00	ITC-01	LAB-01	L-00
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SUBJECT: VICE PRESIDENT BIDEN'S MARCH 30 MULTILATERAL
MEETING WITH CENTRAL AMERICAN LEADERS

Classified By: DCM Peter M. Brennan for reason 1.4 (d)

11. (U) March 30, 2009; 1045 am; San Jose, Costa Rica.

12. (U) Participants:

USG:

The Vice President

Ambassador Peter Ciani

Anthony Blinken, NSA to the Vice President

Brian McKeon, Deputy NSA to the Vice President

Dan Restrepo, Senior Director, Western Hemisphere Affairs, NSC

Craig Kelly, PDAS WHA

Tim Lattimer (notetaker), Regional Environmental Officer,

Embassy San Jose

OTHER GOVERNMENTS:

Prime Minister Dean Barrow, Belize

President Oscar Arias, Costa Rica

President Antony Saca, El Salvador

President-elect Mauricio Funes, El Salvador

President Alvaro Colom, Guatemala

Vice President Aristides Mejia, Honduras

Vice ForMin Manuel Coronel, Nicaragua

President Martin Torrijos, Panama

11. (C) SUMMARY: Vice President Joseph R. Biden, Jr. met March 30 with Central American leaders at a pre-Summit of the Americas gathering hosted by Costa Rican President Oscar Arias. The Vice President stressed the Obama Administration's commitment to building a new U.S. relationship⁸ with Latin America based on a renewed partnership to meet common challenges, mutual respect, and genuine consultation. He emphasized the USG's desire to seize the opportunities presented by the international economic crisis and to lay the foundations for short-term recovery and long-term sustained economic growth. Central American leaders welcomed the Obama Administration's show of positive interest in the region and embraced Vice President Biden's call for partnership and close coordination in meeting the full scope of challenges, ranging from the economic crisis to poverty reduction, law enforcement/security, immigration, international financial institutions, and energy and climate change. END SUMMARY.

BIDEN: "NEW U.S.-LATIN AMERICAN RELATIONSHIP"

12. (C) Following a brief introduction by President Arias, Vice President Biden echoed Arias' suggestion that the gathered leaders "look ahead" rather than behind in considering how best to work together in addressing the host of challenges the U.S. and the region face. He noted that President Obama asked him to visit with leaders in the region to listen to their concerns and to begin to develop a coordinated approach. The Vice President stressed that he did not come "with a plan for the hemisphere," but instead came to begin working toward "a plan with the hemisphere." Noting the "checkered U.S. history" in the region, he urged Central American leaders to put aside their skepticism of U.S. intentions and to engage in an honest dialogue about how best to renew the U.S. partnership with the region.

13. (C) The Vice President recapped the Obama Administration's "bold action" during its first 65 days to revive the U.S. economy, including a USD 787 billion economic stimulus package, USD 1 trillion for the troubled U.S. financial sector, and a USD 3.8 trillion dollar budget proposal aimed at re-setting the conditions for long-term growth, particularly through investments in education, energy, and health care. He also said the USG hopes to use a series of upcoming international meetings (e.g., G20, Summit of the

Americas, and the G8) to secure coordinated approaches internationally to key challenges, particularly in kick-starting the flow of credit again in the financial markets. The Vice President added that the U.S. will "lead by the power of its example rather than the example of its power" in addressing other issues, such as climate change, food security, education, and immigration.

EL SALVADOR (SACA): A "VERY DIFFERENT" CENTRAL AMERICA

¶4. (C) Noting that the Vice President is visiting a "very different Central America," outgoing El Salvadoran President Antonio Saca touted his country's "free and transparent" elections in March. He pointed to his administration's efforts to ensure a smooth transition to the opposition FMLN's winning candidate, President-elect Mauricio Funes, as an example of El Salvador's maturing democracy. Saca said that the presence of Central American leaders at this meeting with Vice President Biden reflects their good will to work with the Obama Administration toward a more hopeful future.

¶5. (C) Saca noted that, as Central America's principal trade partner, the U.S. slowdown has already hit the region hard. El Salvador saw remittances from the U.S. drop by 8-10 percent during the first two months of the year, along with declines in key sectors such as tourism and construction. Saca urged the U.S. to see the region's strategic importance and to work toward legalizing the status of El Salvador's more than 500,000 illegal residents in the U.S.

¶6. (C) He also urged U.S. support for boosting the resources of international financial institutions (IFIs) such as the World Bank and Inter-American Development Bank (IDB) to help the region better cope with the "perfect storm" brought about by the global financial crisis, energy challenges, and food security. Noting the growing importance of free trade for creating jobs and alleviating poverty in the region, Saca encouraged U.S. ratification of the pending Colombian and Panamanian trade deals.

PANAMA: "NEW ERA" IN REGIONAL RELATIONS WITH THE US

¶7. (C) President Martin Torrijos hailed a "new era in Central American relations with the U.S." and suggested that the current financial crisis offered an opportunity for stimulus packages that could better enable the region to deal with unemployment, poverty, food security, and energy problems. He urged the U.S. to support re-capitalization of the Central American Development Bank and the Central American Bank for Economic Integration (BCIE) and to support greater "flexibility" in the rules for IFIs so that they might help the region better manage its various challenges (e.g., by allowing more resources for government budget support).

¶8. (C) Citing progress in Panama, Colombia, and elsewhere in the region on public security and narco-trafficking, Torrijos stressed the importance of U.S. cooperation with the region to find shared solutions. He expressed Panama's concern about the global climate change issue and praised President Obama's decision to convene an April meeting of "major economies" in Washington to address climate change.

GUATEMALA: LET'S AVOID A BROADER CRISIS

¶9. (C) President Alvaro Colom warned against allowing the economic/energy/climate crisis to roll together into a broader socio-political crisis. He said that Guatemala had great hopes for the Obama Administration, particularly on immigration issues and on law enforcement/security cooperation. Colom stressed that USG support has been vital to the GOG's recent successes in combating narco-traffickers (e.g., last year's seizure of three times more illegal drugs

than the previous year) and in strengthening the judicial sector (e.g., the recent arrest of four generals accused of corruption). He highlighted the growing importance of free trade to the region and called for U.S. ratification of the pending Colombia and Panama trade pacts.

BELIZE: A NEW U.S. "SINCERITY" TOWARD THE REGION

¶10. (C) Prime Minister Dean Barrow said that VP Biden's message offered "welcome reassurance" to the region and that his "deft touch" reflected a "new U.S. sincerity" toward the region. He urged U.S. support for recapitalizing the IDB so that the region could better "help ourselves deal with this crisis." Barrow said that Belize was particularly concerned that the proposed "Levin Bill" would target Belize as a "tax haven" despite the country's lack of bank secrecy laws and its classification by the OECD as a "cooperating country." He worried about Treasury Secretary Geithner's signals of Administration support for the Levin Bill and the potential for such legislation to "wreak havoc" on small economies, such as Belize, that have developed their financial services sectors to reduce their dependence on commodity exports.

EL SALVADOR (FUNES): FINANCIAL CRISIS IS MOST URGENT

¶11. (C) President-elect Mauricio Funes said that the international financial crisis was the most urgent matter affecting the region. He said that it could cascade into declines in exports, remittances, tourism, and foreign direct investment, thereby driving down individual incomes and potentially reversing the region's hard-won gains in reducing poverty. Funes called for regional cooperation and "international solidarity," especially from the U.S., to support the efforts of individual countries to cope with these challenges. He said that the crisis offers a "unique opportunity" for the U.S. and Central America to redefine their relationship.

¶12. (C) Funes suggested that a new strategic agenda between the U.S. and the region should include the following:
-- Regional security ("we will maintain continuity with the region and the U.S.");
-- immigration (an "integral solution" is needed);
-- bilateral cooperation to deal with the financial crisis, not just multilateral cooperation; and,
-- social cohesion (e.g., more USG support for strengthening institutions and financial sector oversight).

HONDURAS: RAISED HOPES, BUT RESTRAINED RHETORIC

¶13. (C) Vice President Aristides Mejia said that President Obama's election raised the hopes and expectations of the region, not just in the U.S. He hoped for Obama's success with his domestic agenda and in his engagement with the G20 and others to address the global financial crisis. Mejia recalled that President Zelaya's December 2008 letter to then President-elect Obama emphasized the importance of "strengthening our diplomatic channels," mutual respect, and "non-interference" in internal matters.

¶14. (C) Mejia ticked off the GOH's key concerns, as follows:
-- integral U.S. immigration reform;
-- free trade (it has helped create jobs and spur economic activity);
-- Millennium Challenge Account (has greatly benefited Honduras);
-- stronger regional integration;
-- cooperation on regional development banks (more money and more favorable lending terms);
-- regional security (modify the Merida Initiative to fit the needs of each country); and,
-- other issues such as UN reform, dialog with Venezuela and

Bolivia, and ending the U.S. embargo on trade with Cuba.

NICARAGUA: "NEW DAY" (BUT OLD WORDS) FOR THE AMERICAS

¶15. (C) Vice Minister of Foreign Affairs Manuel Coronel, who spoke last as the lowest-ranking visitor in protocol order, commended VP Biden's intent to "listen" and said that this meeting signaled a "new day for the Americas." However, Coronel said that Nicaragua wanted to convey the following "common Central American points" as President Pro Tempore of the Central American Integration System (SICA, in Spanish):

- end interventionist tactics;
- give more priority to spending on social needs, not just commercial and mercantilist interests;
- reform U.S. immigration;
- meet the "Millennium Development Goal" of channeling 0.7 percent of GDP into official development assistance; and,
- support recapitalization of the BCIE and the Central American Development Bank.

¶16. (C) Coronel said that the region enjoyed good USG cooperation on law enforcement issues. He urged U.S. support for a three-year law enforcement and security plan put forth by the Central American Commission on Security. Coronel also suggested that firms exporting to the U.S. under CAFTA-DR are among the "first and hardest hit" by the U.S. economic slowdown. He hoped that the U.S. might support the creation of mechanisms to help such firms better cope with the crisis.

BIDEN RESPONDS: WE HEAR YOU, BUT BE PATIENT

¶17. (C) VP Biden responded by commending the absence of recriminations and acrimony in the statements offered by Central American leaders. While sympathizing with the genuine concerns offered by the Central Americans, he urged them to be patient with the U.S., which, he said, faces significant domestic challenges that limit the USG's ability to respond. For example, he noted how politically difficult it would be for the Obama Administration to put an end to deportations or press for legalizing the status of illegal immigrants at a time when Americans face rising unemployment, falling incomes, and the loss of their homes.

¶18. (C) VP Biden said that the Treasury Department is looking closely at calls to recapitalize the IDB and other IFIs. He noted the IDB should use existing resources to lend to countries hardest hit by the crisis. He noted that the IFIs are high on the G20 agenda and reiterated the challenges posed by a "very hostile domestic environment." The Vice President added that the USG must also take a hard look at how well IFIs have previously managed their funds.

¶19. (C) VP Biden offered to help Belize make its case to the Treasury Department as to why it should not be rolled up into U.S. or international efforts aimed at tax havens. Turning to Panama, the Vice President offered encouragement that "we can finish" the TPA, but urged the Panamanians to remain patient as the Administration deals with the issue in the U.S. Congress.

¶20. (C) On the Cuba issue, Vice President Biden said that President Obama had offered a campaign promise of some changes in U.S. policy toward Cuba, short of lifting the embargo. Noting that democracy is our overall goal, he urged the region to work with the U.S. to ensure that the Cuban people can decide their own future when Cuba enters into its "inevitable transition."

¶21. (C) Calling himself a "hard-eyed realist" who is "genuinely optimistic" about the future, the Vice President stressed the importance of the leaders being honest with each other about priorities. He noted that there were no significant conflicts around the table; there were, of course, disagreements, but they were not significant and

should be put in perspective. He cautioned against making every issue (e.g., Cuba) a priority and stressed that although the Obama Administration may not have "all the answers," it has an "open mind" and a readiness to work with the region on "our most urgent challenges." Vice President Biden suggested that the measure of success in the region will be not so much whether GDP growth increases, but whether living standards rise for those in the middle and lower economic classes.

COSTA RICA: AID IS STILL NEEDED

¶22. (C) In closing the meeting, President Arias urged the U.S. to recalibrate its "trade, not aid" posture to one that sees foreign aid as something that advances U.S. interests in the region. He suggested that the upcoming meeting of G20 leaders should focus not only on multilateral assistance through the IFIs, but also give greater attention to bilateral assistance. Reprising one of his themes from the bilateral meeting with the Vice President, Arias maintained that a world that spends 13 times more per year on military budgets than it does on official development assistance is unable to adequately address poverty, disease, education, environment (especially climate change), and the threats of terrorism.

¶23. (U) The Office of the Vice President cleared this message.

WILSON